increasingly common feature. Such organizations, with lower overhead costs, reduced costs of purchase and distribution, and new methods of sale and delivery, have proved in many cases that reduced prices are still consistent with a reasonable margin of profit.

While, therefore, it cannot be denied that in some instances what appears to be uneconomic price-cutting has been indulged in for competitive or other reasons, yet in numerous other instances it is equally undeniable that such tactics must more correctly be called " price competition," and must be regarded as a perfectly legitimate form of competition due to the adoption of improved methods of distribution. Economic progress demands constant improvement in all stages of production, and " production " is not completed until the goods are in the hands of the ultimate consumers. That is to say, the remedy for price competition is the adoption over the whole field of retail trading of more rational methods of distribution. Persistent price-cutting, however, in contradistinction to price competition, must eventually lead either to retirement from the field of commerce or to the Bankruptcy Court.

Timber.

Production of Timber.

The production of the main varieties of timber in the Dominion for the past eight years (ending at 31st March) is given in the following table :—

Year ended 31st March,	Total.	Kauri.	Rimu.	White-pine.	Matai.	Totara.	Others.
	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.
1922 ..	314,972,310	21,435,728	157,345,928	68,486,633	24,830,368	19,570,561	23,303,092
1923 ..	304,351,877	22,460,759	155,627,936	66,088,219	23,747,049	20,843,718	15,584,196
1924 ..	317,069,216	19,743,196	181,093,581	56,699,443	24,326,148	18,904,361	16,302,487
1925 ..	344,094,874	22,891,535	195,572,705	65,572,439	23,947,707	18,509,551	17,600,937
1926 ..	353,224,196	22,765,877	195,451,758	75,634,869	26,141,027	14,109,576	19,121,089
1927 ..	305,675,258	18,474,981	170,498,282	65,490,059	19,380,469	14,179,462	17,652,005
1928 ..	269,783,000	15,874,000	156,314,000	53,736,000	15,207,000	15,728,000	17,924,000
1929 ..	270,214,420	10,742,967	156,239,992	56,790,306	15,752,744	8,610,639	22,077,772

The statistics for the sawmilling industry continue to evidence the depression that has been experienced by this industry for some years past. The decline in production figures for 1928–29 compared with that of the previous year is comparatively small, but when compared with the year 1926–27 the decrease is appreciable, amounting to no less than 35,000,000 ft. A still more serious decline is shown when comparison is made with the figures for 1925–26, which show a decrease of 83,000,000 ft., or 23 per cent.

The number of sawmills engaged in the production of rough sawn timber shows a shrinkage of twenty-four, the relative figures being 316 in 1927–28 and 292 in 1928–29.

Employment figures are equally disconcerting, as shown by the following: 1924–25, 7,377 ; 1925–26, 8,511 ; 1926–27, 6,996 ; 1927–28, 6,423 ; 1928–29, 5,757.

With a lessened demand for timber the year just ended is likely to show further depression in the industry, and consequently a further decrease in the number of employees. The decrease in the production of native timber is in a large measure due to the substitution of other materials for timber in constructional work. Plaster and wall boards have made serious inroads in the quantity of timber previously used for rough lining, tongued and grooved ceilings, &c., and the increasing use of concrete for floors and flat roofs are also serious factors in a movement towards the diminishing use of timber in building. This fact is borne out by returns furnished by the building and construction industry for the year ended 31st March, 1929. The figures show that while there was an increase of £1,256,735 in the cost of materials purchased (including payment to sub-contractors) the sales of timber by sawmillers declined by £34,135.

The export trade of the year under review showed a substantial increase of 4,000,000 ft. in quantity, and £62,375 in value, compared with that of 1928. The relative figures show the position as follows: 1928—quantity, 34,970,773 ft. ; value, £376,967. 1929—quantity, 39,102,831 ft. ; value, £439,342.

In addition to internal competition the miller has faced increasing competition from overseas. The following table shows in thousands of superficial feet the quantities of timber that directly compete with New Zealand native timber :—

——	1926.	1927.	1928.	1929.
	(1,000 ft.)	(1,000 ft.)	(1,000 ft.)	(1,000 ft.
Cedar	8,905	2,390	2,066	1,336
Oregon	16,937	17,638	16,713	16,188
Hemlock	4,278	2,207	4,903	4,108
Redwood	3,500	7,583	7,478	11,678
Butter-box shooks	1,648	1,807	2,006	3,147
Cheese-crate shooks	856	1,433	785	1,373
Total	36,132	33,058	33,951	37,830